

House Bill 656 (AS PASSED HOUSE AND SENATE)

By: Representatives Barnard of the 166th and Lane of the 158th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 34 of Title 33 of the Official Code of Georgia Annotated, relating to
2 motor vehicle accident reparations, so as to provide that a religious organization that meets
3 certain requirements may qualify as a self-insurer; to provide additional qualifications; to
4 provide for forms of acceptable minimum security; to provide for cancellation of the
5 certificate; to provide for related matters; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Chapter 34 of Title 33 of the Official Code of Georgia Annotated, relating to motor vehicle
9 accident reparations, is amended by revising Code Section 33-34-5.1, relating to
10 self-insurers, as follows:

11 "33-34-5.1.

12 (a)(1) Except as otherwise provided in paragraphs (2) and (3) of this subsection, any
13 person in whose name one or more vehicles are registered in this state may qualify as a
14 self-insurer by obtaining a certificate of self-insurance from the Commissioner of
15 Insurance. The Commissioner of Insurance may, in his or her discretion, upon the
16 application of such person, issue such a certificate when he or she is satisfied that such
17 person has and will continue to have the ability to provide coverages, benefits, and
18 claims-handling procedures substantially equivalent to those afforded by a policy of
19 vehicle insurance in compliance with ~~Chapter 34 of Title 33~~ this chapter.

20 (2) Except as otherwise provided in paragraph (3) of this subsection with regard to
21 taxicabs, any person who operates one or more vehicles for hire which transport
22 passengers and in whose name a certificate of title has been issued pursuant to Chapter 3
23 of this title on one or more such vehicles may qualify as a self-insurer by obtaining a
24 certificate of self-insurance from the Commissioner of Insurance. The Commissioner of
25 Insurance may, in his or her discretion, upon the application of such person, issue such
26 a certificate when he or she is satisfied that such person has and will continue to have the

27 ability to provide coverages, benefits, and claims-handling procedures substantially
28 equivalent to those afforded by a policy of vehicle insurance in compliance with
29 ~~Chapter 34 of Title 33~~ this chapter.

30 (3)(A) As used in this paragraph, the term 'taxicab' means a motor vehicle used to
31 transport passengers for a fare and which is fitted with a taximeter to compute such
32 fare.

33 (B) Any person who operates 25 or more taxicabs and in whose name such vehicles are
34 registered may qualify as a self-insurer by obtaining a certificate of self-insurance from
35 the Commissioner of Insurance. The Commissioner of Insurance may, in his or her
36 discretion, upon the application of such person, issue such a certificate when he or she
37 is satisfied that such person has and will continue to have the ability to provide
38 coverages, benefits, and claims-handling procedures substantially equivalent to those
39 afforded by a policy of vehicle insurance in compliance with ~~Chapter 34 of Title 33~~ this
40 chapter. A person who operates fewer than 25 taxicabs and in whose name such
41 vehicles are registered shall not be allowed to qualify as a self-insurer with regard to
42 such vehicles.

43 (C) Except as otherwise provided in subparagraph (D) of this paragraph, on or after
44 July 1, 1994, to qualify for a certificate of self-insurance under subparagraph (B) of this
45 paragraph, a person shall maintain with the Commissioner a cash deposit of at least
46 \$100,000.00 and shall also possess and thereafter maintain an additional amount of at
47 least \$300,000.00 which shall be invested in the types of assets described in
48 subparagraphs (A) through (H) of Code Section 33-11-5 and Code Sections 33-11-10,
49 33-11-14.1, 33-11-20, 33-11-21, and 33-11-25, which relate to various types of
50 authorized investments for insurers.

51 (D) Any person operating as a self-insurer pursuant to a certificate of self-insurance
52 issued prior to July 1, 1994, shall be allowed a transition period in which to meet the
53 requirements of subparagraph (C) of this paragraph; provided, however, that, except as
54 provided in subparagraph (G) of this paragraph, on and after December 31, 1995, all
55 self-insurers under this paragraph shall comply fully with the requirements of
56 subparagraph (C) of this paragraph. The Commissioner of Insurance shall promulgate
57 rules and regulations relative to the transition period for compliance provided in this
58 subparagraph.

59 (E) Beginning July 1, 1994, and each year thereafter, a person operating as a
60 self-insurer pursuant to this paragraph shall submit to the Commissioner of Insurance,
61 on forms prescribed by the Commissioner, reports of the business affairs and operations
62 of the self-insurer in the same manner as required of insurers pursuant to Code
63 Section 33-3-21. A person operating as a self-insurer pursuant to this paragraph shall

also submit to the Commissioner an annual financial statement audited by an independent certified public accountant. The value of any asset listed in any report required by this subparagraph shall be limited to the equity interest of the person operating as a self-insurer pursuant to this paragraph.

(F) Any person operating as a self-insurer pursuant to this paragraph shall be subject to examination and proceedings in the same manner applicable to insurers transacting motor vehicle insurance in this state as provided in Chapter 2 of Title 33 and shall maintain reserves for losses in the same manner as insurers transacting motor vehicle insurance as provided in Chapter 10 of Title 33.

(G) Until December 31, 2003, the provisions of subparagraph (C) of this paragraph shall not apply to taxicab self-insurers which were located in counties with populations of 400,000 or less according to the United States decennial census of 1990 or any future such census and were licensed by the Commissioner of Insurance on December 31, 1998.

(b)(1) In addition to the persons described in subsection (a) of this Code section, a religious organization that meets the requirements of this subsection may qualify as a self-insurer for motor vehicle liability insurance for all motor vehicles registered in this state that are owned or leased by members of such religious organization that obtains a certificate from the Commissioner. The Commissioner may, in his or her discretion, upon the application of such religious organization, issue a certificate when he or she is satisfied that such religious organization meets the qualifications of this subsection and has and will continue to have the ability to provide coverages, benefits, and claims-handling procedures substantially equivalent to those afforded by a policy of vehicle insurance in compliance with this chapter.

(2) In addition to any other rules or regulations established by the Commissioner, a religious organization seeking to obtain a certificate under the provisions of this subsection shall meet the following qualifications:

(A) The religious organization shall be a recognized sect or division of a recognized religious group having established tenets or teachings and shall have remained in existence continuously since December 31, 1950, and whose members hold a common belief in mutual financial assistance in time of need;

(B) The religious organization shall be a recognized sect or division of a religious group which has been a recognized religious group for purposes of exemption from federal social security and medicare taxes since December 31, 1970; and

(C) The religious organization has filed with the Commissioner the required minimum security. The required minimum security shall in no event be less than the following amounts:

	<u>Number of Vehicles</u>	<u>Required Security</u>
101		
102	<u>1-50</u>	<u>\$150,000.00</u>
103	<u>51-100</u>	<u>\$200,000.00</u>
104	<u>101-150</u>	<u>\$300,000.00</u>
105	<u>151-200</u>	<u>\$350,000.00</u>
106	<u>201-250</u>	<u>\$400,000.00</u>
107	<u>251-350</u>	<u>\$500,000.00</u>
108	<u>351 or more</u>	<u>\$600,000.00</u>

(3) The only forms of acceptable required minimum security shall be rendered in one or more of the following forms:

(A) United States currency placed as collateral with the Commissioner;

(B) Irrevocable letters of credit valid for a period of at least 24 months and renewable every 12 months and issued by a financial institution chartered by an agency of this state or the federal government; or

(C) Bonds or other negotiable obligations issued by this state, or a subdivision or instrumentality of this state, if not in default as to principal or interest.

(4) A certificate issued pursuant to this subsection shall be valid for a period of 12 months and may be renewed upon the religious organization's filing of an appropriate application, including a report of all claims incurred during the preceding calendar year, the number of covered motor vehicles, and proof that the organization continues to meet the requirements of this subsection. If, based upon the number of claims incurred by the organization during the preceding calendar year or the number of covered motor vehicles, the Commissioner determines that the required minimum security under this subsection is inadequate, the Commissioner may require additional minimum security or reports, or both.

~~(b)~~(c) Upon a determination that any self-insurer, including a religious organization granted a certificate pursuant to subsection (b) of this Code section, has failed to pay on any valid claim within 30 days of its submission or has failed to satisfy any judgment within 30 days after such judgment shall become final, the Commissioner of Insurance shall revoke such insurer's certificate. The Commissioner of Insurance may on reasonable grounds cancel a certificate of self-insurance, including a certificate granted pursuant to subsection (b) of this Code section, and is authorized to promulgate rules and regulations prescribing such grounds for the cancellation of such certificates."

SECTION 2.

All laws and parts of laws in conflict with this Act are repealed.